

104TH CONGRESS  
2D SESSION

# H. R. 3787

To amend the Social Security Act to provide for a program of health insurance for children under 13 years of age and for mothers-to-be.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 11, 1996

Mr. GIBBONS (for himself, Mr. RANGEL, Mr. STARK, Mr. MILLER of California, Mr. LaFALCE, Mr. LANTOS, Mr. HILLIARD, and Ms. NORTON) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Social Security Act to provide for a program of health insurance for children under 13 years of age and for mothers-to-be.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Healthy Start Act of  
5       1996”.

1 **SEC. 2. HEALTH INSURANCE FOR CHILDREN AND MOTH-**  
 2 **ERS-TO-BE.**

3 (a) IN GENERAL.—The Social Security Act is amend-  
 4 ed by adding at the end the following new title:

5 “TITLE XXI—HEALTHY START  
 6 “**SEC. 2100. ESTABLISHMENT OF PROGRAM OF HEALTH IN-**  
 7 **SURANCE FOR CHILDREN AND MOTHERS-TO-**  
 8 **BE.**

9 “There is hereby established a program of health in-  
 10 surance for children under 13 years of age and mothers-  
 11 to-be.

12 “PART A—ELIGIBILITY

13 “**SEC. 2101. GENERAL ELIGIBILITY.**

14 “(a) CHILDREN.—

15 “(1) IN GENERAL.—Every individual—

16 “(A) who is a child (as defined in para-  
 17 graph (2)),

18 “(B) whose principal place of abode is in  
 19 the United States,

20 “(C) who is a citizen or national of the  
 21 United States or a permanent resident alien (as  
 22 defined in subsection (d)), and

23 “(D) who is not covered under a qualified  
 24 health plan (as defined in subsection (e)),

25 is, upon registration under section 2102, entitled to  
 26 benefits under this title as a child.

1           “(2) CHILD DEFINED.—In this title, the term  
2           ‘child’ means an individual from birth until the end  
3           of the month in which the individual attains 13  
4           years of age.

5           “(b) MOTHERS.—

6           “(1) IN GENERAL.—Every woman—

7                   “(A) who is a pregnant woman (as defined  
8                   in paragraph (2)),

9                   “(B) whose principal place of abode is in  
10                  the United States,

11                  “(C) who is a citizen or national of the  
12                  United States or a permanent resident alien (as  
13                  defined in subsection (d)), and

14                  “(D) who is not covered under a qualified  
15                  health plan (as defined in subsection (e)),  
16           is entitled to benefits under this title as a pregnant  
17           woman.

18           “(2) PREGNANT WOMAN DEFINED.—In this  
19           title, the term ‘pregnant woman’ means a woman  
20           during the period—

21                   “(A) beginning on the date she receives the  
22                   examination or test which forms the basis for  
23                   the certification of pregnancy under section  
24                   2102(b)(1), and

1                   “(B) ending on the last day of the month  
2                   in which the 60-day period (beginning on the  
3                   date of termination of the pregnancy) ends.

4           “(c) PREGNANT CHILDREN.—In the case of an indi-  
5   vidual who is entitled under this section to benefits under  
6   this title as a child and as a pregnant woman, the individ-  
7   ual is entitled to benefits as both.

8           “(d) PERMANENT RESIDENT ALIEN DEFINED.—In  
9   this section, the term ‘permanent resident alien’ means an  
10  alien lawfully admitted for permanent residence or other-  
11  wise permanently residing in the United States under  
12  color of law, and includes an alien granted asylum under  
13  section 208 of the Immigration and Nationality Act or  
14  lawfully admitted as a temporary resident under section  
15  210, 210A, or 245A of such Act.)

16          “(e) QUALIFIED HEALTH PLAN.—In this section, the  
17  term ‘qualified health plan’ means a plan of health insur-  
18  ance or coverage, an employee welfare benefit plan that  
19  provides health benefits, or other plan (other than under  
20  this title) under Federal or State law that provides cov-  
21  erage of benefits which the Secretary of Health and  
22  Human Services determines is substantially equivalent to  
23  the coverage of benefits provided under this title.

1 **“SEC. 2102. REGISTRATION; CERTIFICATION OF PREG-**  
2 **NANCY.**

3 “(a) REGISTRATION OF CHILDREN.—

4 “(1) IN GENERAL.—The Secretary shall estab-  
5 lish a process for the registration of children at the  
6 time of birth in the United States or at the time of  
7 immigration into the United States or other acquisi-  
8 tion of lawful permanent resident status in the Unit-  
9 ed States.

10 “(2) TRANSITIONAL REGISTRATION.—The Sec-  
11 retary also shall establish a process for the registra-  
12 tion of children born before the effective date of ben-  
13 efits under this title.

14 “(3) EFFECT OF FAILURE TO REGISTER.—The  
15 failure of a child to be registered under this sub-  
16 section shall not be considered to deny the child’s  
17 entitlement to benefits under this title, but merely to  
18 delay payment with respect to such benefits under  
19 this title.

20 “(b) CERTIFICATION OF PREGNANCY AND REGISTRA-  
21 TION OF PREGNANT WOMEN.—

22 “(1) CERTIFICATION OF PREGNANCY.—A cer-  
23 tification of pregnancy for purposes of this title—

24 “(A) may be made by a physician (or such  
25 other qualified health professionals as the Sec-

1           retary may designate) on the basis of such tests  
2           or procedures as the Secretary may specify,

3           “(B) shall be stated on such form as the  
4           Secretary shall specify, and

5           “(C) shall be filed with the Secretary in a  
6           manner specified by the Secretary.

7           “(2) REGISTRATION.—The Secretary shall es-  
8           tablish a process for the registration of pregnant  
9           women in connection with the filing of a certification  
10          of pregnancy under paragraph (1)(C).

11   **“SEC. 2103. COVERAGE PERIOD.**

12          “(a) IN GENERAL.—No payments may be made  
13   under this part with respect to the expenses of an individ-  
14   ual unless such expenses were incurred by such individual  
15   during a period which, with respect to the individual, is  
16   a coverage period under this section.

17          “(b) CHILDREN.—With respect to an individual enti-  
18   tled to benefits under this title as a child, the coverage  
19   period shall begin on the first date (on or after the effec-  
20   tive date of benefits under this title) on which the individ-  
21   ual meets the requirements for such entitlement under  
22   section 2101(a) and shall end on the day before the first  
23   month in which the individual no longer meets such re-  
24   quirements.

1       “(c) PREGNANT WOMEN.—With respect to an indi-  
 2       vidual entitled to benefits under this title as a pregnant  
 3       woman, the coverage period shall begin on the first date  
 4       (on or after the effective date of benefits under this title)  
 5       on which the individual meets the requirements for such  
 6       entitlement under section 2101(b) and shall end on the  
 7       day before the first month in which the individual no  
 8       longer meets such requirements.

9                               “PART B—BENEFITS

10   **“SEC. 2111. SCOPE OF BENEFITS FOR CHILDREN.**

11       “(a) IN GENERAL.—Except as provided in the suc-  
 12       ceeding provisions of this section, the benefits provided to  
 13       an individual by the program established by this part shall  
 14       consist of the same benefits that are available under title  
 15       XVIII to individuals entitled to benefits under part A of  
 16       that title and enrolled under part B of that title.

17       “(b) WELL CHILD SERVICES.—

18               “(1) IN GENERAL.—In addition to the benefits  
 19       described in subsection (a), in the case of an individ-  
 20       ual entitled to benefits under this title as a child, the  
 21       benefits under this title shall include entitlement to  
 22       have payment made (in the same manner as for phy-  
 23       sicians’ services under part B of title XVIII) for the  
 24       following, without the application of deductibles, co-  
 25       insurance, or copayments, subject to the periodicity

1 schedule established with respect to the services  
2 under paragraph (2):

3 “(A) Newborn and well-baby care, includ-  
4 ing normal newborn care and pediatrician serv-  
5 ices for high-risk deliveries.

6 “(B) Well-child care, including routine of-  
7 fice visits, routine immunizations (including the  
8 vaccine itself), routine laboratory tests, and pre-  
9 ventive dental care.

10 “(2) PERIODICITY SCHEDULE.—The Secretary,  
11 in consultation with the American Academy of Pedi-  
12 atrics, shall establish a schedule of periodicity which  
13 reflects the general, appropriate frequency with  
14 which services listed in paragraph (1) should be pro-  
15 vided to healthy children.

16 **“SEC. 2112. SCOPE OF BENEFITS FOR PREGNANT WOMEN.**

17 “(a) IN GENERAL.—In the case of an individual enti-  
18 tled to benefits under this title as a pregnant woman, the  
19 benefits under this title shall consist of entitlement to have  
20 payment made for the following, without the application  
21 of deductibles, coinsurance, or copayments, subject to the  
22 periodicity schedule established with respect to the serv-  
23 ices under subsection (b):

24 “(1) Prenatal care, including care for all com-  
25 plications of pregnancy.



1 “(2) Inpatient labor and delivery services.

2 “(3) Postnatal care.

3 “(4) Postnatal family planning services.

4 “(b) PERIODICITY SCHEDULE.—The Secretary, in  
5 consultation with the American College of Obstetrics and  
6 Gynecology, shall establish a schedule of periodicity which  
7 reflects the general, appropriate frequency with which  
8 services listed in subsection (a) should be provided to preg-  
9 nant women without complications of pregnancy.

10 **“SEC. 2113. EXCLUSIONS.**

11 “(a) IN GENERAL.—Except as provided in sub-  
12 sections (b) and (c), section 1862 shall apply to expenses  
13 incurred for items and services provided under this title  
14 the same manner as such section applies to items and  
15 services provided under title XVIII.

16 “(b) BENEFITS EXCEPTION.—

17 “(1) CHILDRENS’ SERVICES.—In applying sec-  
18 tion 1862(a) with respect to services described in  
19 section 2111(b)(1) (relating to well-child services),  
20 payment shall not be denied under paragraph (1),  
21 (7), or (12) of such section 1862(a) if the services  
22 are provided in accordance with the periodicity  
23 schedule described in section 2111(b)(2).

24 “(2) SERVICES FOR PREGNANT WOMEN.—In  
25 applying section 1862(a) with respect to services de-

1 scribed in section 2112(a) (other than paragraph (2)  
2 thereof), payment shall not be denied under para-  
3 graph (1) or (7) of such section 1862(a) if the serv-  
4 ices are provided in accordance with the periodicity  
5 schedule described in section 2112(b).

6 “(c) COORDINATION OF PAYMENTS.—Payment shall  
7 not be made under this title with respect to benefits to  
8 the extent that payment for such benefits may be made  
9 under title XVIII.

10 “PART C—PAYMENT FOR BENEFITS AND FINANCING

11 “**SEC. 2121. PAYMENTS FOR BENEFITS.**

12 “(a) IN GENERAL.—Except as otherwise provided in  
13 this section—

14 “(1) payment of benefits under this title with  
15 respect to benefits shall be made in the same  
16 amounts and on the same basis as payment may be  
17 made with respect to such benefits under title  
18 XVIII, and

19 “(2) the provisions of sections 1814, 1833,  
20 1842, 1848, and 1886 shall apply to payment of  
21 benefits under this title in the same manner as they  
22 apply to benefits under title XVIII.

23 “(b) NO COST-SHARING FOR CERTAIN SERVICES.—  
24 No deductibles, coinsurance, copayments, or other cost-  
25 sharing shall be imposed with respect to—

1           “(1) well-child care services described in section  
2           2111(b)(1), and

3           “(2) items and services for which an individual  
4           is entitled under this title as a pregnant woman.

5           “(c) ADJUSTMENT OF PAYMENTS.—

6           “(1) ESTABLISHMENT OF NEW DRGS AND  
7           WEIGHTS.—In making payment under this title with  
8           respect to inpatient hospital services, the Secretary  
9           shall make such adjustments in the diagnosis-related  
10          groups and weighting factors with respect to dis-  
11          charges within such groups, otherwise established  
12          under section 1886(d)(4) as may be necessary—

13               “(A) to reflect the types of discharges oc-  
14               curring under this title which are not occurring  
15               under title XVIII, and

16               “(B) to provide for a weighting factor, for  
17               cesarean section deliveries, which is 95 percent  
18               of the weighting factor that otherwise would be  
19               established.

20          “(2) PAYMENT FOR OBSTETRICAL SERVICES.—

21               “(A) GLOBAL FEE.—In making payment  
22               under this title with respect to the group of ob-  
23               stetrical services typical of treatment through-  
24               out a course of pregnancy, the Secretary shall  
25               establish, as a schedule under section 1848, a

1           global fee with respect to such group of serv-  
2           ices.

3           “(B) BONUS FOR EARLY PRESEN-  
4           TATION.—The fee schedule amount with respect  
5           to obstetrical services under this title shall be  
6           increased by 5 percent in the case of services  
7           furnished to women who have presented for pre-  
8           natal care during the first trimester.

9           “(C) DISINCENTIVE FOR CESAREAN SEC-  
10          TIONS.—The fee schedule amount otherwise es-  
11          tablished with respect to a cesarean section  
12          shall be 95 percent of the fee schedule amount  
13          otherwise established.

14          “(c) CONDITIONS OF AND LIMITATIONS ON PAY-  
15          MENTS.—The provisions of sections 1814 and 1835 shall  
16          apply to payment for services under this title in the same  
17          manner as they apply to payment for services under  
18          parts A and B, respectively, of title XVIII.

19          “(d) USE OF TRUST FUND.—In carrying out this  
20          section, any reference in title XVIII to a trust fund shall  
21          be treated as a reference to the Children Health Insurance  
22          Trust Fund established under section 2122.

23          **“SEC. 2122. CHILDREN HEALTH INSURANCE TRUST FUND.**

24          “(a) ESTABLISHMENT.—(1) There is hereby created  
25          on the books of the Treasury of the United States a trust

1 fund to be known as the ‘Children Health Insurance Trust  
2 Fund’ (in this section referred to as the ‘Trust Fund’).  
3 The Trust Fund shall consist of such gifts and bequests  
4 as may be made as provided in section 201(i)(1) and  
5 amounts appropriated under paragraph (2).

6 “(2) There are hereby appropriated to the Trust  
7 Fund amounts equivalent to 100 percent of the premium  
8 taxes imposed by section 59B of the Internal Revenue  
9 Code of 1986, and such additional amounts as the Con-  
10 gress provides. The amounts appropriated by the preced-  
11 ing sentence in relation to premium taxes shall be trans-  
12 ferred from time to time from the general fund in the  
13 Treasury to the Trust Fund, such amounts to be deter-  
14 mined on the basis of estimates by the Secretary of the  
15 Treasury of the taxes, paid to or deposited into the Treas-  
16 ury; and proper adjustments shall be made in amounts  
17 subsequently transferred to the extent prior estimates  
18 were in excess of or were less than the taxes specified in  
19 such sentence.

20 “(b) INCORPORATION OF PROVISIONS.—

21 “(1) IN GENERAL.—Subject to paragraph (2),  
22 the provisions of subsections (b) through (e) and (g)  
23 through (j) of section 1817 shall apply to the Trust  
24 Fund in the same manner as they apply to the Fed-  
25 eral Hospital Insurance Trust Fund.

1           “(2) EXCEPTIONS.—In applying paragraph  
2           (1)—

3                   “(A) the Board of Trustees and Managing  
4           Trustee of the Trust Fund shall be composed of  
5           the members of the Board of Trustees and the  
6           Managing Trustee, respectively, of the Federal  
7           Hospital Insurance Trust Fund; and

8                   “(B) any reference in section 1817 to the  
9           Federal Hospital Insurance Trust Fund or to  
10          title XVIII (or part A thereof) is deemed a ref-  
11          erence to the Trust Fund under this section  
12          and this title, respectively.

13   **“SEC. 2123. APPLICABLE TITLE XXI PREMIUM.**

14          “For purposes of section 59B of the Internal Revenue  
15   Code of 1986, the Secretary shall, during September of  
16   each year (beginning with 1997), determine a title XXI  
17   applicable premium for months in the succeeding calendar  
18   year. Such premium for months in a year shall be such  
19   amount as the Secretary estimates so that—

20               “(1) 12 times the product of such amount and  
21   the average number of families with individuals enti-  
22   tled to benefits under section 2101 in any month in  
23   the year, is equal to

24               “(2) the total of the benefits and administrative  
25   costs which the Secretary estimates will be payable

1 from the Children Health Insurance Trust Fund for  
 2 services performed and related administrative costs  
 3 incurred in such year.

4 In calculating the amount under paragraph (2), the Sec-  
 5 retary shall include an appropriate amount for a contin-  
 6 gency margin.

7 “PART D—GENERAL PROVISIONS

8 “**SEC. 2131. INCORPORATION OF CERTAIN MEDICARE PRO-**  
 9 **VISIONS.**

10 “(a) USE OF CARRIERS AND INTERMEDIARIES.—The  
 11 Secretary shall provide for the administration of this title  
 12 through the use of fiscal intermediaries and carriers in  
 13 the same manner as title XVIII is carried out through  
 14 the use of such fiscal intermediaries and carriers.

15 “(b) DEFINITIONS.—Except as otherwise provided in  
 16 this title, the definitions contained in section 1861 shall  
 17 apply for purposes of this title in the same manner as they  
 18 apply for purposes of title XVIII.

19 “(c) CERTIFICATION, PROVIDER QUALIFICATION,  
 20 ETC.—The provisions of sections 1863 through 1875, sec-  
 21 tions 1878 through 1880, section 1883, section 1885, and  
 22 sections 1887 through 1892 shall apply to this title in the  
 23 same manner as they apply to title XVIII.

24 “(d) HEALTH MAINTENANCE ORGANIZATIONS AND  
 25 COMPETITIVE MEDICAL PLANS.—

1           “(1) IN GENERAL.—Except as provided in this  
2 subsection, section 1876 shall apply to individuals  
3 entitled to benefits under this title in the same man-  
4 ner as such section applies to individuals entitled to  
5 benefits under part A, and enrolled under part B, of  
6 title XVIII.

7           “(2) LIMITATION TO REASONABLE COST REIM-  
8 BURSEMENT CONTRACTS FOR PREGNANT WOMEN.—

9           “(A) IN GENERAL.—The provisions of sec-  
10 tion 1876 relating only to risk-sharing contracts  
11 (and not to reasonable cost reimbursement con-  
12 tracts) shall not apply to individuals entitled to  
13 benefits under this title only as pregnant  
14 women.

15           “(B) REPORT.—Not later than January 1,  
16 1997, the Secretary shall submit to the Con-  
17 gress a report concerning recommendations on  
18 how the provisions of section 1876 relating to  
19 risk-sharing contracts may be adapted to apply  
20 to benefits provided under this title to pregnant  
21 women.

22           “(3) APPLICATION.—In applying section 1876  
23 under this section—



1           “(A) the provisions of such section relating  
2           only to individuals enrolled under part B of title  
3           XVIII shall not apply;

4           “(B) any reference to a Trust Fund estab-  
5           lished under title XVIII and to benefits under  
6           such title is deemed a reference to the Children  
7           Health Insurance Trust Fund and to benefits  
8           under this title;

9           “(C) the adjusted average per capita cost  
10          and the adjusted community rate shall be deter-  
11          mined on the basis of benefits under this title;  
12          and

13          “(D) subsection (f) shall not apply.

14   **“SEC. 2132. INCORPORATION OF PEER REVIEW PROVISIONS**  
15           **AND FRAUD AND ABUSE PROVISIONS.**

16          “The provisions of sections 1121 through 1126, sec-  
17          tions 1128 through 1128B, section 1134, section 1138,  
18          and part B of title XI shall apply to this title in the same  
19          manner as they apply to title XVIII.”.

20          (b) CONFORMING AMENDMENTS.—

21               (1) Section 201(g)(1)(A) of the Social Security  
22          Act (42 U.S.C. 401(g)(1)(A)) is amended by striking  
23          “and the Federal Supplementary Medical Insurance  
24          Trust Fund” and inserting “, Federal Supple-

1       mentary Medical Insurance Trust Fund, and the  
2       Children Health Insurance Trust Fund”.

3           (2) Section 201(i)(1) of such Act (42 U.S.C.  
4       401(i)(1)) is amended by striking “and the Federal  
5       Supplementary Medical Insurance Trust Fund” and  
6       inserting “, Federal Supplementary Medical Insur-  
7       ance Trust Fund, and the Children Health Insur-  
8       ance Trust Fund”.

9       (c) EFFECTIVE DATE.—The amendments made by  
10      this section shall take effect on the date of the enactment  
11      of this Act, except that no benefits shall be available under  
12      title XXI of the Social Security Act for items or services  
13      furnished before January 1, 1998.

14      **SEC. 3. PREMIUM FOR COVERAGE OF UNINSURED CHIL-**  
15                                   **DREN AND MOTHERS-TO-BE.**

16       (a) GENERAL RULE.—Subchapter A of chapter 1 of  
17      the Internal Revenue Code of 1986 (relating to determina-  
18      tion of tax liability) is amended by adding at the end the  
19      following new part:

20           **“PART VIII—PREMIUM FOR COVERAGE OF**  
21           **UNINSURED CHILDREN AND MOTHERS-TO-BE**

“Sec. 59B. Premium for coverage of uninsured children and  
mothers-to-be.

1   **“SEC. 59B. PREMIUM FOR COVERAGE OF UNINSURED CHIL-**  
2                   **DREN AND MOTHERS-TO-BE.**

3           “(a) IMPOSITION OF TAX.—In the case of an individ-  
4   ual, there is hereby imposed (in addition to any other tax  
5   imposed by this subtitle) a tax for the taxable year in the  
6   amount equal to the title XXI premium liability (if any)  
7   of such individual for such taxable year.

8           “(b) EXEMPTION FOR LOW-INCOME INDIVIDUALS.—

9               “(1) IN GENERAL.—No tax shall be imposed by  
10   subsection (a) on any taxpayer whose modified ad-  
11   justed gross income for the taxable year does not ex-  
12   ceed the threshold amount.

13           “(2) PHASE-IN OF TAX.—

14               “(A) IN GENERAL.—If the modified ad-  
15   justed gross income of the taxpayer for the tax-  
16   able year exceeds the threshold amount by less  
17   than \$10,000, the amount of the tax imposed  
18   by subsection (a) for such taxable year shall be  
19   the phase-in percentage of the title XXI pre-  
20   mium liability of such taxpayer for such taxable  
21   year.

22               “(B) PHASE-IN PERCENTAGE.—For pur-  
23   poses of subparagraph (A), the phase-in per-  
24   centage shall be determined under tables pre-  
25   scribed by the Secretary which—

1 “(i) shall have income brackets of not  
2 more than \$50, and

3 “(ii) provide for a ratable increase in  
4 the amount of tax imposed by subsection  
5 (a) for modified adjusted gross incomes be-  
6 tween the threshold amount and the sum  
7 of the threshold amount and \$10,000.

8 “(c) TITLE XXI PREMIUM LIABILITY.—For pur-  
9 poses of this section—

10 “(1) IN GENERAL.—The title XXI premium li-  
11 ability of any individual for any taxable year is the  
12 sum of—

13 “(A) the applicable title XXI premiums for  
14 each month of the taxable year as of the first  
15 day of which any dependent of the individual is  
16 a title XXI covered individual who has not at-  
17 tained age 13, and

18 “(B) the applicable title XXI premium for  
19 the month of the taxable year during which the  
20 taxpayer (or spouse of the taxpayer) gives birth  
21 to any child if for such month the individual  
22 giving birth is a title XXI covered individual.

23 “(2) APPLICABLE TITLE XXI PREMIUM.—The  
24 term ‘applicable title XXI premium’ means, with re-  
25 spect to a month, such premium as determined

1 under section 2123 of the Social Security Act for  
2 that month.

3 “(d) TITLE XXI COVERED INDIVIDUAL.—For pur-  
4 poses of this section—

5 “(1) IN GENERAL.—A dependent shall be treat-  
6 ed as a title XXI covered individual for any month  
7 unless—

8 “(A) for such month, such dependent is  
9 covered under a qualified health plan, and

10 “(B) the taxpayer furnishes to the Sec-  
11 retary (at such time and in such manner as the  
12 Secretary may prescribe) the required certifi-  
13 cation of such coverage for such month.

14 A similar rule shall apply to a woman for the month  
15 in which such woman gives birth to a child.

16 “(2) QUALIFIED HEALTH PLAN.—The term  
17 ‘qualified health plan’ means a plan of health insur-  
18 ance or coverage, an employee welfare benefit plan  
19 that provides health benefits, or other plan (other  
20 than under title XXI of the Social Security Act)  
21 under Federal or State law that provides coverage of  
22 benefits which the Secretary of Health and Human  
23 Services determines is substantially equivalent to the  
24 coverage of benefits provided under title XXI of the  
25 Social Security Act.

1       “(e) OTHER DEFINITIONS AND SPECIAL RULES.—

2       For purposes of this section—

3               “(1) THRESHOLD AMOUNT.—

4                       “(A) IN GENERAL.—Except as provided in  
5                       subparagraph (B), the term ‘threshold amount’  
6                       means—

7                               “(i) \$20,000 in the case of a return  
8                               with respect to which 3 or fewer personal  
9                               exemptions are allowable under section  
10                              151, and

11                             “(ii) \$25,000 in the case of a return  
12                             with respect to which 4 or more personal  
13                             exemptions are allowable under section  
14                             151.

15               “(B) CERTAIN SEPARATE RETURNS.—The  
16               threshold amount shall be zero in the case of a  
17               taxpayer who—

18                       “(i) is married as of the close of the  
19                       taxable year but does not file a joint return  
20                       for such taxable year, and

21                       “(ii) does not live apart from his  
22                       spouse at all times during the last 6  
23                       months of the taxable year.

24               “(C) INFLATION ADJUSTMENTS.—In the  
25               case of a taxable year beginning in a calendar

1           year after 1998, each dollar amount contained  
2           in subparagraph (A) shall be increased by an  
3           amount equal to—

4                   “(i) such dollar amount, multiplied by

5                   “(ii) the cost-of-living adjustment de-  
6                   termined under section 1(f)(3) for the cal-  
7                   endar year in which the taxable year be-  
8                   gins, by substituting ‘calendar year 1997’  
9                   for ‘calendar year 1992’ in subparagraph  
10                  (B) thereof.

11           “(2) MODIFIED ADJUSTED GROSS INCOME.—

12           The term ‘modified adjusted gross income’ means  
13           adjusted gross income—

14                   “(A) determined without regard to sections  
15                   911, 931, and 933, and

16                   “(B) increased by the amount of interest  
17                   received or accrued by the individual during the  
18                   taxable year which is exempt from tax.

19           The determination under the preceding sentence  
20           shall be made without regard to any carryover or  
21           carryback.

22           “(3) DEPENDENT.—The term ‘dependent’  
23           means, with respect to periods in any calendar year,  
24           any individual if an exemption is allowable under  
25           section 151(c) with respect to such individual to the

1 taxpayer for a taxable year beginning in such cal-  
2 endar year.

3 “(4) REQUIRED CERTIFICATION.—The term ‘re-  
4 quired certification’ means the statement required to  
5 be provided under section 6050Q(b) (or a copy  
6 thereof) or any other statement approved by the  
7 Secretary for purposes of this section.

8 “(f) COORDINATION WITH OTHER PROVISIONS.—

9 “(1) TREATMENT AS MEDICAL EXPENSE.—For  
10 purposes of section 213, the tax imposed by this sec-  
11 tion for any taxable year shall be treated as an ex-  
12 pense paid during such taxable year for medical care  
13 of the taxpayer.

14 “(2) NOT TREATED AS TAX FOR CERTAIN PUR-  
15 POSES.—The tax imposed by this section shall not  
16 be treated as a tax imposed by this chapter for pur-  
17 poses of determining—

18 “(A) the amount of any credit allowable  
19 under this chapter, or

20 “(B) the amount of the minimum tax im-  
21 posed by section 55.

22 “(3) TREATMENT UNDER SUBTITLE F.—For  
23 purposes of subtitle F, the tax imposed by this sec-  
24 tion shall be treated as if it were a tax imposed by  
25 section 1.



1 “(g) EXEMPTIONS.—

2 “(1) IN GENERAL.—No tax shall be imposed by  
3 this section on any individual for any taxable year  
4 if such individual is a nonresident alien.

5 “(2) CERTAIN INDIVIDUALS NOT TAKEN INTO  
6 ACCOUNT IN DETERMINING AMOUNT OF TAX.—For  
7 purposes of this section, an individual shall be treat-  
8 ed as not being a title XXI covered individual for  
9 any month if—

10 “(A) the principal place of abode of such  
11 individual as of the first day of such month is  
12 outside the United States, or

13 “(B) as of the first day of such month,  
14 there is in effect for such individual a qualified  
15 religious exemption.

16 “(3) QUALIFIED RELIGIOUS EXEMPTION.—For  
17 purposes of paragraph (2)—

18 “(A) IN GENERAL.—The term ‘qualified  
19 religious exemption’ means an exemption grant-  
20 ed by the Secretary of Health and Human  
21 Services to an individual—

22 “(i) who is a member of a recognized  
23 religious sect or division thereof with re-  
24 spect to which such Secretary makes the

findings referred to in subparagraphs (C),  
(D), and (E) of section 1402(g)(1),

“(ii) who is an adherent of established  
tenets or teachings of such sect or division  
as described in such section, and

“(iii) who submits an application for  
such exemption which contains or is ac-  
companied by the evidence described in  
section 1402(g)(1)(A) and a waiver de-  
scribed in section 1402(g)(1)(B).

For purposes of the clause (iii), section  
1402(g)(1)(B) shall be treated as including a  
reference to title XXI of the Social Security  
Act.

“(B) LIMITATION.—An exemption granted  
under this paragraph shall cease to apply begin-  
ning on the date such Secretary determines  
that the individual, or the sect or division,  
ceased to meet the requirements of subpara-  
graph (A).

“(4) SPECIAL RULE FOR INDIVIDUALS RESID-  
ING ABROAD WHO RECEIVE TITLE XXI SERVICES.—  
Paragraph (2)(A) shall not apply to any individual  
for any taxable year if, at any time during such tax-

1       able year, such individual receives services under  
2       title XXI of the Social Security Act.

3       “(h) REGULATIONS.—The Secretary may prescribe  
4 such regulations as may be appropriate to carry out the  
5 purposes of this section, including regulations, prescribed  
6 after consultation with the Secretary of Health and  
7 Human Services, treating health plans of foreign govern-  
8 ments or foreign employers outside the United States as  
9 qualified health plans.”

10       (b) TECHNICAL AMENDMENTS.—

11               (1) Subsection (a) of section 6012 of such Code  
12 is amended by inserting after paragraph (9) the fol-  
13 lowing new paragraph:

14               “(10) Every individual who has a title XXI pre-  
15 mium liability (as defined in section 59B) for the  
16 taxable year.”

17               (2) Subparagraph (A) of section 1(f)(6) of such  
18 Code is amended by inserting “section  
19 59B(e)(1)(C),” after paragraph (2)(A),”.

20       (c) CLERICAL AMENDMENT.—The table of parts for  
21 subchapter A of chapter 1 is amended by adding at the  
22 end the following new item:

“Part VIII. Individual share of title XXI premiums.”

23       (d) EFFECTIVE DATE.—The amendments made by  
24 this section shall apply to months beginning after Decem-  
25 ber 31, 1997, in taxable years ending after such date.

1 **SEC. 4. REPORTING REQUIREMENTS.**

2 (a) IN GENERAL.—Subpart B of part III of sub-  
3 chapter A of chapter 61 of the Internal Revenue Code of  
4 1986 (relating to information concerning transactions  
5 with others) is amended by adding at the end the following  
6 new sections:

7 **“SEC. 6050Q. RETURNS RELATING TO QUALIFIED HEALTH**  
8 **PLANS.**

9 “(a) REQUIREMENT OF REPORTING.—The adminis-  
10 trator of any qualified health plan (as defined in section  
11 59B(d)) shall make a return for each calendar year setting  
12 forth—

13 “(1) the name and TIN of each individual cov-  
14 ered under such plan or program at any time during  
15 such taxable year as a primary insured or as the  
16 spouse of a primary insured,

17 “(2) the name and TIN (to the extent avail-  
18 able) of each individual covered under such plan or  
19 program at any time during such taxable year as a  
20 dependent (as defined in section 59B(e)(3)) of a pri-  
21 mary insured, and

22 “(3) the months during such calendar year for  
23 which such individuals were so covered.

24 Such return shall be made at such time and in such form  
25 as the Secretary may by regulations prescribe.

1       “(b) STATEMENTS TO PRIMARY INSURED INDIVID-  
2 UALS.—Every administrator required to make a return  
3 under subsection (a) shall furnish to each individual whose  
4 name is required to be set forth in such return by reason  
5 of being a primary insured a written statement showing—

6               “(1) the name of the qualified health plan and  
7       the address of its administrator, and

8               “(2) the information required to be shown on  
9       the return with respect to such primary insured.

10 The written statement required under the preceding sen-  
11 tence shall be furnished to the person on or before Janu-  
12 ary 31 of the year following the calendar year for which  
13 the return under subsection (a) was required to be made.

14       “(c) STATEMENT TO SPOUSE OR DEPENDENTS OF  
15 PRIMARY INSURED ON REQUEST.—At the request of an  
16 individual who, at any time during a calendar year, was  
17 the spouse or a dependent (as defined in section  
18 59B(e)(3)) of a primary insured who is required to receive  
19 a statement under subsection (b) from an administrator,  
20 such administrator shall furnish to such individual a copy  
21 of such statement with respect to such insured for such  
22 calendar year.”

23       (b) UNIFORM PENALTY PROVISIONS MADE APPLICA-  
24 BLE.—

1           (1) Subparagraph (B) of section 6724(d)(1) of  
 2           such Code is amended by inserting after the item re-  
 3           lating to clause (viii) the following new item (and re-  
 4           designating the following clauses accordingly):

5                       “(ix) section 6050Q(a) (relating to re-  
 6                       turns regarding qualified health plans),”.

7           (2) Paragraph (2) of section 6724(d) of such  
 8           Code is amended by inserting after subparagraph  
 9           (P) the following new subparagraph (and by redesign-  
 10          nating the following subparagraphs accordingly):

11                       “(Q) subsection (b) or (c) of section  
 12                       6050Q (relating to returns regarding qualified  
 13                       health plans),”.

14          (c) CLERICAL AMENDMENT.—The table of sections  
 15          for subpart B of part III of subchapter A of chapter 61  
 16          of such Code is amended by adding at the end the follow-  
 17          ing new item:

                          “Sec. 6050Q. Returns relating to qualified health plans.”

18          (d) EFFECTIVE DATE.—The amendments made by  
 19          this section shall apply to calendar years after 1997.

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